Case 1	10-cv-00389-LPS	Document 53	Filed 02/22/11	Page 1 of 21 PageID #: 606
1		ти тнг	E UNITED STATI	ES DISTRICT COURT
2	IN THE UNITED STATES DISTRICT COORT IN AND FOR THE DISTRICT OF DELAWARE			
3		III AIII	FOR THE DIS.	INICI OF DEHAWARE
	SOFTVIEW LLC	С,		- CTVIII ACETON
4		Plaintiff,		: CIVIL ACTION :
5	7	J.		: :
6	APPLE INC.,	and AT&T MC	BILITY LLC,	: :
7		Defendants.		: NO. 10-389 (LPS)
8				-
9	Wilmington, Delaware Tuesday, February 8, 2011			
10			Telephone Con	nference
11				_
12	BEFORE:	HONORABLE	E LEONARD P. S	STARK, U.S.D.C.J.
13	APPEARANCES:	:		-
14		BLANK ROME,	LLP	
15			I L. CAPONI, I	ESQ.
16		and		
17		IRELL & MAN BY: AMIR N	JELLA JAINI, ESQ., a	and
18		SAMUEI	L K. LU, ESQ. Angeles, Cali	
19			Counsel for Pi	
20				
21			DERSON & CORRO E. MOORE, ESO	
22		and	I. HOURLY LO	۷•
23		and		
24			D~÷	an D. Caffigan
25				an P. Gaffigan istered Merit Reporter

THE COURT: Okay. Good afternoon.

25

MR. KREVITT: Good afternoon, your Honor. 1 2 THE COURT: Good afternoon. 3 Is that the only group of defendants just the one? 4 5 (Unidentified Speaker): Yes, your Honor. 6 THE COURT: So I have a court reporter with me; 7 and for the record, it's our case of SoftView LLC v Apple Inc. et al, Civil Action No. 10-389-LPS, and this is the 8 9 time for our scheduling conference. 10 It seems the parties did not agree about just 11 about anything in the proposed scheduling order so I want to 12 give each side a chance to help me focus on the numerous 13 disputes and give me a sense as to why I should go with the way you see it. 14 15 So let me first hear from the plaintiffs. 16 MR. NAINI: Your Honor, this is Amir Naini, from 17 Irell & Manella for the plaintiffs. I think one of the main issues in the two 18 19 proposals has to do with whether, and when, SoftView, the 20 plaintiff, should limit its asserted claims; and, if so, 21 what that number of claims should be at this stage of the case where we are just getting into discovery and we haven't 22 2.3 received invalidity contention responses at all for one of 24 the patents in suit and we haven't received what we think

our final responses for the patent in suit.

25

We're at a stage where we need to see how the case proceeds to determine when we can limit the asserted claims. We fully intend to obviously for trial and we fully intend to before trial to streamline the case. But at this stage, to set a deadline we think is not necessary or even feasible because we need to see how the case unfolds before we can set a sensible deadline for the limitation of asserted claims.

One of the things that we will need, we think we're entitled to, are final responses to invalidity contention interrogatories for the plaintiffs so we can limit our asserted claims in light of final responses that we can rely on.

This issue in our mind is linked to the issue whether we can set deadlines as SoftView proposes for final responses both to infringement contention interrogatories and then after a reasonable amount of time, three weeks I believe in our proposal, to invalidity contention interrogatories.

THE COURT: So you want a deadline for them on the interrogatories responses but no deadline for you on limiting the asserted claims?

MR. NAINI: Well, to be clear, we would set deadlines both for ourselves for infringement contentions and for them for invalidity contentions, but then we don't

feel at this time it's feasible to set a deadline for
until we see how the case proceeds, we see if we can get
final responses to invalidity contention interrogatories
so SoftView can be in a position to limit its asserted
claims.

THE COURT: Okay. Are there any other sort of broad issues or even specific issues that you want issues that you want me to focus on?

MR. NAINI: Well, the other major issue at play runs through all the proposed dates and that is the issue of when trial should be set.

We have suggested a trial start date that is a little over two years after the filing of the complaint in this action, in late July of 2012, and the defendants have proposed a date in December of that year. So we based our proposal based on what this Court has been doing from what we can tell in other cases, and it is about 26 months or so, 27 months after the filing of the complaint.

THE COURT: Okay. Let's hear from defendants then.

MR. KREVITT: Your Honor, this is Josh Krevitt from Gibson Dunn. And I'm happy to address the issues, obviously, in any way and in any order that your Honor would like.

Let me start this way unless your Honor has a

different preference. I understand the comment at the outset that it appears the parties have not agreed too much, and that certainly, given our submission, a reasonable comment.

Most of the dispute turns I think on the dates and a difference of opinion as to when the trial date should be. My strong sense is that with the Court's guidance on what an appropriate trial date is, the parties would be able to roll up their sleeves and make either a joint suggestion or something very close to a joint suggestion on all the dates between now and then.

As to the trial date, the defendants proposed December 10, 2012, which is about 22 months from now. Of course, that was not an arbitrary selection. I will tell you, your Honor, that we looked at other scheduling orders that your Honor has put in place, including in certain instances cases in which we are involved, and this is less time than all of the other ones, at least all the other ones we could find, so I don't represent to your Honor that we were able to do an exhaustive search but we looked at half a dozen or so, and time from complaint to trial is less here and time from scheduling conference to trial is less in defendants' proposal.

So we considered actually proposing a longer schedule, we think that might be warranted, but tried to

propose instead as aggressive and, in our view, reasonable schedule as possible and that puts it, as I said, at December 10, 2012.

I'd be happy to explain why we think that is appropriate beyond just the fact that it is shorter than all the other scheduling orders that we could find that your Honor has put in place.

Just one recent one I wanted to mention, your Honor, because I was involved in a schedule in the Fair Isaacs v Actimize case and your Honor put in place, from the scheduling conference, a trial that was over two years. Our proposal, of course, is under two years by a few months and that was some three years or so from the filing of the complaint in that other case; and our proposal here is meaningfully less than that, about two years from the filing of the original complaint.

I should also note there has been an amended complaint filed which added a patent relatively recently. It was filed in December of last year, so just a couple months ago.

So the schedule, in our view, is actually aggressive given all that needs to happen in this case, the allegations in this case, and what your Honor is doing in other cases.

As to a couple other issues that were raised

that I want to address. One is to limit claims, your Honor.

As Your Honor knows, courts routinely order plaintiffs to limit the number of claims in cases. This court has done it repeatedly. Courts increasingly are putting it into the scheduling order, and it just makes good sense. Every plaintiff, every single plaintiff in every case I have been involved in says exactly what your Honor just heard from the plaintiff in this case: We will do it, we'll do it at the right time, we'll do it before trial, but with no commitment as to when to do it.

Limiting the claims, your Honor, is particularly necessary and appropriate in this case. There are two patents in suit in this case, your Honor, and the plaintiff has asserted 350 claims, nearly every single claim in the two patents. Some 90 percent, to be more precise, of the claims in the two patents. 350 claims.

There is, in our view, your Honor, just simply no justification. In case after case, courts have looked at 30 claims, 40 claims and said that it is way too many and require the plaintiff to limit the number of claims.

Your Honor did that recently, as you know, in the Personalized User Model case, limiting just from 36 claims to 15, cut the number of claims in half from 36.

There are 10 times the number of claims, almost every single claim being asserted in this case. And what

we did, your Honor, is we proposed what we believe to be a reasonable mechanism.

Again, your Honor, we contemplated proposing a more aggressive schedule and limitation but went ultimately with something that we thought was very reasonable, and that would be that at the outset of the case, the plaintiff would be required to limit the number of claims. We proposed 15, and we had a date in the proposed scheduling order of March 11th for that. Obviously, it wouldn't be exactly that date but we think it should be right at the outset of the case.

And we then have a second date which would be after the close of fact discovery but before expert reports in which the plaintiff would be required to do a further limiting. We proposed March of next year and the plaintiff would be required to limit the claims to eight.

In case after case, those limitations have been put in place not only as part of scheduling orders, your Honor, but before Markman, before the close of fact discovery, before final contentions, and so we would propose that it makes sense to do so here, particularly given the 350 claims the plaintiff is now asserting.

Finally, your Honor, the other issue that was raised, and then, of course, I'd be happy to address any questions you have, is with respect to contentions.

Just to be clear, the parties both agree that contention interrogatories are appropriate. They should be served and responded to early. Your Honor has that in the form scheduling order. The parties included that without modification in the order that the parties submitted to the Court.

There is no question that contention interrogatories are appropriate. They have already been served. They already have been responded. Neither side is yet pleased with the other side's responses, but they're out there, and the parties are free to seek the Court's intervention, of course, in the event through meet and confer either party is not satisfied with the responses.

What we object to is the introduction which I would note, for what it's worth, this Court has never done of a specific date in the scheduling order very soon for final contentions, infringement, and then invalidity contentions.

We would suggest instead that the Court's order is sufficient to address contention interrogatories given that the parties have both served and responded to them and that we proceed with the type of scheduling order this Court has put in place each and every time which thus encourages early contention interrogatories and provides access to the Court in the event that either party is not satisfied with

the other party's response.

So those are the big ticket issues, your Honor. Some of the other issues addressed as disputes are hours for depositions and number of interrogatories and things like that, but the big ticket ones are the ones that I have just addressed.

THE COURT: All right. Thank you, Mr. Krevitt. Let me ask you a question.

One thing that we might hear from Mr. Naini in response, which I often hear, is plaintiffs don't want to narrow the asserted claims until after they get the claim construction order, which on either of your schedules is some time down the road. What is your response to that?

MR. KREVITT: I guess I have a few responses very quickly, your Honor.

First, virtually every case to address this issue has required the limitation of claims before Markman, so it would be anomalous to do it after Markman. The only time it is done after Markman was where it didn't raise it or the Court, on its own, didn't raise it until after Markman. But every time any court in any jurisdiction has been asked to do this, it's done prior to Markman.

And for good reason, which is the second point I would make, which is particularly with 350 claims, the

Markman process is at risk of becoming completely impractical.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Now, of course, your Honor can say I'm only going to construe 12 terms, so your Honor can put whatever constraints on the Markman process the Court wishes. as your Honor also knows, it is necessary for the Court to construe any claim terms for which there is a dispute regarding the appropriate construction. And so as part of that process, as part of an orderly process for the development of the claims of the defenses in this case and leading into claim construction, it is critical that the plaintiffs be required well in advance of the Markman process to select the claims that they're going to proceed with in this case, at least an initial cut, at least the first cut. Whether it's down to the few claims at trial is a different matter, but they certainly should be required to reduce it to a dozen or so claims to allow the parties to proceed to Markman. And,

Finally, your Honor, this is, of course, the plaintiff's case. The plaintiff has presumably a Rule 11 basis to bring this case. As Your Honor knows, involved in that process is not only an analysis of the defendants' products but a claim construction. So the defendants, one can presume, have already developed what they believe are the appropriate claim construction positions for these

1.

patents.

Given all that information that the plaintiff has, and the need for this case to proceed in a reasonable way, particularly given the hundreds and hundreds of asserted claims now, we believe it's critical that the claims be limited well, well in advance of Markman to allow discovery to proceed in a reasonable, fair way. Otherwise, it is, I respectfully submit, your Honor, just harassing for the plaintiff to be able to assert hundreds of claims when we all know on this call that the plaintiff won't go to trial or even proceed to expert reports with anything but a tiny, tiny fraction of that number of claims.

MR. NAINI: Your Honor.

THE COURT: Hold on.

So, Mr. Krevitt, if I understand the plaintiff's position, I think they largely agree with you; and as you say, we all know this case is going to get cut down in time. What would be unusual in my experience is giving them a specific number and a specific deadline at this early point in the case.

I understand you are representing that other courts are doing that, but just focus me for a minute on why I should, sitting here at the very beginning of the case, having just heard today a little bit about the case and really knowing almost nothing about the substance of it, why

I should be confident that I could impose such deadlines at this early point.

MR. KREVITT: Well, your Honor, that is entirely fair. And, of course, we included it in the scheduling order because we think it's appropriate. But we also would be more than willing, and it may be useful to the Court, to submit a short brief on the subject in which we identify those cases and provide in more detail the reasoning behind the cases.

But your Honor did this relatively recently in September of last year in the Personalized User Model v Google case in which before the Markman hearing, before the close of fact discovery, your Honor reduced the number of asserted claims by order to 15 from 36, as I said earlier.

Judge Farnan did it many times, including in the Power Integrations case, before the Markman hearing. He reduced the number of claims from 18 to 7. So he considered 18 claims too many and reduced the number to less than -- or to fewer, excuse me, than half of that, to seven.

In the LG Display v AU Optronics case, in February of last year, Judge Farnan also limited the number of claims. There had been nine patents asserted. This is all before Markman. Nine patents asserted, and the Court required the plaintiff to reduce the number of patents to four, required the plaintiff to cut the number of patents

by more than half, and the number of claims to only seven across the four patents. So substantially all before Markman, your Honor, all for the same reason.

Reasonable people could disagree as to whether the right date is next week or next month or two months from now, but in our view, your Honor, with 350 claims asserted, virtually every single claim of the two patents, an appropriate limitation both in terms of number of claims asserted and the timing for that is necessary in order for this case to proceed in a fair and reasonable way.

As I said, your Honor, I know you are hearing it for the first time on this call. If it would be helpful, we would be very happy to submit a brief to your Honor.

THE COURT: Okay. Thank you. Let me hear a response from the plaintiff, please.

MR. NAINI: This is Amir Naini, your Honor.

On the issue of how many claims there are at issue, at this point in the case, there are 350 claims, approximately, that have been asserted across the two patents. That is because we have infringement reads which we provided and detailed claim charts to the defendants on those claims.

Now, those claims are not 350 unrelated claims. They share claim language. They can be dealt with at Markman we believe very efficiently because of that sharing

2.3

of claim language, but they are slightly different from one another, sometimes more different than in others. But the point is we took a look at each claim that we had an infringement read on and we provided the claim charts and it ended up being 350 claims. The task at Markman and the task for expert reports will not be 350 times more work for 350 claims than it is for one claim in this case.

We understand that you don't have the claims in front of you. We haven't gotten to a point in the case where you can see the similarities of the claim terms, but we believe they are highly similar, and it's apparent from just looking at the language of the claims and comparing one claim to another.

The other thing that I wanted to get into a bit more detail on is our concern about the responses to invalidity contention interrogatories, because we don't want to get to a point in the case where we have limited our asserted claims to a very small number and then defendants come forward with prior art that they were aware of, that they are aware of now but they haven't disclosed to us yet, only after we've limited our asserted claims.

We would be happy to consider a procedure whereby we adopt a good cause standard, as is used in some other districts under their local patent rules, where responses to invalidity contention interrogs can't be

expanded or supplemented without good cause so that we know that we will get everything that the defendants are aware of at the present time.

The reason we're a little suspicious, quite frankly, is that the defendants haven't identified any prior art in their responses that hasn't already been cited to the PTO or was not already cited to the PTO during the prosecution of the patents.

If that is all they have, then that is fine.

But, see, this illustrates one of the problems that we're

dealing with as the plaintiff in this case, dealing with the

request to limit our asserted claims, even though the claims

share some claim language, and it won't be overly burdensome

to proceed with the claims that we've asserted so far and go

forward with the case.

We're dealing with not getting responses from the defendants and being put in a position where they essentially want to go first on things where, in all fairness, they should give us full information on first.

THE COURT: Okay. Thank you, counsel.

Let me tell you where we are, and this is just at a clearly an interim point. I'm not going to give you, really other than one, much in the way of specific dates. And I'm going to send you off with some of my thoughts and have you meet and confer further and get a revised

2.3

submission to me by a week from today, which I'm confident will have significantly narrowed the disputes, if not resolved them. But let me give you some thoughts on the two broad issues that we discussed here.

The first one really, in my mind, is really a focus on whether the scheduling order should itself set interim dates for the reduction in the number of asserted claims, and, somewhat relatedly, whether there should be specific dates for responses to interrogatories.

My practice to this point, and while clearly reasonable minds could differ and I'm always interested in hearing how others are handling the same issues, my practice is going to be applied in this case, which is I'm not, from the start of the case in a scheduling order, going to impose a specific deadline or a specific number of claims that the plaintiff can assert at each stage of the case. And, likewise, I'm not going to set a deadline for when final infringement and invalidity contention interrogatories need to be responded to. I think the case needs to play out at least a little bit more before I will be in a position to make that kind of case specific determination here.

In the past, when I have limited the number of asserted claims, I believe I have done that in the context of a dispute that has come up through the discovery disputes procedures that we use and that are set out, of course, in

our form order and will be in your final scheduling order.

And that is the mechanism that I think works best for me in resolving this type of issue.

But let me be clear; and I don't think there is really any dispute on this. Obviously, 350 claims is way too many. It's at least an order of magnitude too many, and that pretty soon the plaintiff is going to have to reduce the number of asserted claims; certainly, will have to take a significant reduction some time before Markman; and I'm sure additional reductions in the number of claims will occur after that point. But I can't, sitting here, give you a specific date and a specific number.

Also, I'm quite willing and will, if necessary, reduce the number of claim terms that will be construed at the Markman hearing, but that, too, is not something I want to do in a vacuum up front.

As the parties are exchanging their contentions on the disputed claim terms that they think need to be construed at the Markman hearing, if one side thinks the other side is being unreasonable in the number, that is a dispute that you can, and should, bring to the Court's attention through the discovery matters procedure. And I will impose a limit that I find to be reasonable based on what I know at that point about this case.

So in your proposal for next week, if you all

can agree on specific limits, that is fine. I'll sign your order if you are agreed on specific limits; but if you are not agreed, then those are matters that just will be dealt with in time through our discovery matters procedure, if you remain in dispute about them going forward.

I'm not going to set any dates in this case beyond the filing of case dispositive motions, so while I appreciate the parties have worked to try to come up with a target trial date, and we may well meet one or the other of the trial date targets that the parties have proposed, at this point, particularly given all the other many, many cases that I am in the middle of scheduling, I'm only going to schedule you through case dispositive motions.

And the only other thing I am going to say is I am going to give you a Markman hearing date, and we will do your Markman hearing on September 23rd, the date that the plaintiff proposed, and we can do it at 1:00 p.m. We can't do it at 9:30 that morning.

So with that, my hope is that the parties can agree on at least all of the dates up to that. Hopefully, they can agree on the case dispositive motion date as well. And as I say, the dates for pretrial conference and trial will be set at a later point in this case.

Are there any questions about any of that, Mr. Naini?

```
1
                  MR. NAINI: No, your Honor. Thank you. That
 2
      is very helpful in terms of coming to an agreement with
 3
      defendants. I'm optimistic we will be able to do so.
                  THE COURT: Mr. Krevitt, any questions?
 4
 5
                  MR. KREVITT: No, your Honor. Thank you very
 6
      much for your time and helpful guidance.
 7
                  THE COURT: Okay. We'll look for your
      submission next week. Thank you all very much.
 8
                  MR. KREVITT: Thanks.
 9
10
                  (Telephone conference ends at 2:36 p.m.)
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```